



Democrats Propose \$6 Billion in New Taxes on Californians and \$9 Billion in Borrowing Over 20 Years for One-Time Spending

With the June 15th deadline to pass a budget nearing and the June 30th end of the fiscal year looming, Senate and Assembly Democrats have come forward with their respective budget solutions for California – which would amount to more than \$6 billion in higher taxes and \$9 billion in borrowing. The Democrats propose to:

**+\$1
Billion**

Raise Income Taxes on All Working Californians – Senate

Democrats have proposed extending last year's 0.25 percent surcharge on the state income taxes paid by every Californian for another two years.

**+\$400
Million**

Raise Taxes on Children – Senate Democrats want to extend the reduction in the child dependent tax credit adopted last year for another two years. This will reduce the child tax credit from \$309 to \$99, and is a \$210 per child tax increase on every California family.

**+\$1.2
Billion**

More Than Double the Car Tax – Senate Democrats want to extend the temporary increase in the car tax from 0.65 percent to 1.15 percent of the car's assessed value, which was passed last year, for another two years. At the same time, they want to raise the car tax by an additional 30 percent, from the 1.15 percent to 1.5 percent of the car's assessed value. This would more than double the car tax paid by Californians.

**+\$210
Million**

Raise the Alcohol Tax – Senate Democrats want to raise the alcohol tax on every beer, wine and spirit sold in California.

**+\$107
Million**

Raise Taxes on Internet Sales – Senate Democrats want to impose new taxes on the goods Californians purchase online through such retailers as Amazon.com.

**+\$2.1
Billion**

Tax Small Businesses and Job Creation – Senate and Assembly Democrats want to raise taxes on job creators, start-ups, and small businesses by eliminating tax incentives passed last year designed to help our economy grow again.

**+\$9
Billion**

Borrow from Recycling Fund for One-Time Spending –

Assembly Democrats want to borrow \$9 billion dollars from the state bottle and can recycling fund to pay for government run welfare programs, provide government jobs, and continue state spending in THIS YEAR'S budget. With interest this loan will cost the state \$21 billion dollars over 20 years, to pay for one-time spending this year.

**+\$900
Million**

Hike Taxes on Oil = Higher Gas Prices – To pay for this borrowing, Assembly Democrats want to impose a new oil severance tax that would lead to higher gas prices while Californians already pay the highest taxes at the pump - 63.9¢ a gallon.